



Rep. Michael J. Madigan

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1 AMENDMENT TO SENATE BILL 2212

2 AMENDMENT NO. _____. Amend Senate Bill 2212 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by
5 changing Sections 5A-1, 5A-2, 5A-4, and 5A-12 as follows:

6 (305 ILCS 5/5A-1) (from Ch. 23, par. 5A-1)

7 Sec. 5A-1. Definitions. As used in this Article, unless
8 the context requires otherwise:

9 "Fund" means the Hospital Provider Fund.

10 "Hospital" means an institution, place, building, or
11 agency located in this State that is subject to licensure by
12 the Illinois Department of Public Health under the Hospital
13 Licensing Act, whether public or private and whether organized
14 for profit or not-for-profit.

15 "Hospital provider" means a person licensed by the
16 Department of Public Health to conduct, operate, or maintain a
17 hospital, regardless of whether the person is a Medicaid
18 provider. For purposes of this paragraph, "person" means any
19 political subdivision of the State, municipal corporation,
20 individual, firm, partnership, corporation, company, limited
21 liability company, association, joint stock association, or
22 trust, or a receiver, executor, trustee, guardian, or other
23 representative appointed by order of any court.

24 "Occupied bed days" means the sum of the number of days

1 that each bed was occupied by a patient for all beds during
2 calendar year 2001. Occupied bed days shall be computed
3 separately for each hospital operated or maintained by a
4 hospital provider.

5 "Proration factor" means a fraction, the numerator of which
6 is 53 and the denominator of which is 365.

7 (Source: P.A. 93-659, eff. 2-3-04.)

8 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

9 (Section scheduled to be repealed on July 1, 2005)

10 Sec. 5A-2. Assessment; no local authorization to tax.

11 (a) Subject to Sections 5A-3 and 5A-10, an annual
12 assessment on inpatient services is imposed on each hospital
13 provider in an amount equal to the hospital's occupied bed days
14 multiplied by \$84.19 multiplied by the proration factor for
15 State fiscal year ~~years~~ 2004 and the hospital's occupied bed
16 days multiplied by \$84.19 for State fiscal year 2005. ~~, if the~~
17 ~~payment methodologies required under 5A-12 and the waiver~~
18 ~~granted under 42 CFR 433.68 are approved with an effective date~~
19 ~~prior to July 1, 2004; or the assessment will be imposed for~~
20 ~~fiscal year 2005 only, if the payment methodologies required~~
21 ~~under Section 5A-12 and the waiver granted under 42 CFR 433.68~~
22 ~~are approved with an effective date on or after July 1, 2004.~~

23 The Department of Public Aid shall use the number of
24 occupied bed days as reported by each hospital on the Annual
25 Survey of Hospitals conducted by the Department of Public
26 Health to calculate the hospital's annual assessment. If the
27 sum of a hospital's occupied bed days is not reported on the
28 Annual Survey of Hospitals or if there are data errors in the
29 reported sum of a hospital's occupied bed days as determined by
30 the Department of Public Aid, then the Department of Public Aid
31 may obtain the sum of occupied bed days from any source
32 available, including, but not limited to, records maintained by
33 the hospital provider, which may be inspected at all times

1 during business hours of the day by the Department of Public
2 Aid or its duly authorized agents and employees.

3 (b) Nothing in this amendatory Act of the 93rd General
4 Assembly shall be construed to authorize any home rule unit or
5 other unit of local government to license for revenue or to
6 impose a tax or assessment upon hospital providers or the
7 occupation of hospital provider, or a tax or assessment
8 measured by the income or earnings of a hospital provider.

9 (c) As provided in Section 5A-14, this Section is repealed
10 on July 1, 2005.

11 (Source: P.A. 93-659, eff. 2-3-04; 93-841, eff. 7-30-04.)

12 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

13 Sec. 5A-4. Payment of assessment; penalty.

14 (a) The annual assessment imposed by Section 5A-2 for State
15 fiscal year 2004 shall be due and payable on June 18 of the
16 year. The assessment imposed by Section 5A-2 for State fiscal
17 year 2005 shall be due and payable in quarterly installments,
18 each equalling one-fourth of the assessment for the year, on
19 July 19, October 19, January 18, and April 19 of the year. No
20 installment payment of an assessment imposed by Section 5A-2
21 shall be due and payable, however, until after: (i) the
22 hospital provider receives written notice from the Department
23 of Public Aid that the payment methodologies to hospitals
24 required under Section 5A-12 have been approved by the Centers
25 for Medicare and Medicaid Services of the U.S. Department of
26 Health and Human Services and the waiver under 42 CFR 433.68
27 for the assessment imposed by Section 5A-2 has been granted by
28 the Centers for Medicare and Medicaid Services of the U.S.
29 Department of Health and Human Services; and (ii) the hospital
30 has received the payments required under Section 5A-12. Upon
31 notification to the Department of approval of the payment
32 methodologies required under Section 5A-12 and the waiver
33 granted under 42 CFR 433.68, all quarterly installments

1 otherwise due under Section 5A-2 prior to the date of
2 notification shall be due and payable to the Department upon
3 written direction from the Department ~~within 30 days of the~~
4 ~~date of notification.~~

5 (b) The Illinois Department is authorized to establish
6 delayed payment schedules for hospital providers that are
7 unable to make installment payments when due under this Section
8 due to financial difficulties, as determined by the Illinois
9 Department.

10 (c) If a hospital provider fails to pay the full amount of
11 an installment when due (including any extensions granted under
12 subsection (b)), there shall, unless waived by the Illinois
13 Department for reasonable cause, be added to the assessment
14 imposed by Section 5A-2 a penalty assessment equal to the
15 lesser of (i) 5% of the amount of the installment not paid on
16 or before the due date plus 5% of the portion thereof remaining
17 unpaid on the last day of each 30-day period thereafter or (ii)
18 100% of the installment amount not paid on or before the due
19 date. For purposes of this subsection, payments will be
20 credited first to unpaid installment amounts (rather than to
21 penalty or interest), beginning with the most delinquent
22 installments.

23 (Source: P.A. 93-659, eff. 2-3-04; 93-841, eff. 7-30-04.)

24 (305 ILCS 5/5A-12)

25 (Section scheduled to be repealed on July 1, 2005)

26 Sec. 5A-12. Hospital access improvement payments.

27 (a) To improve access to hospital services, for hospital
28 services rendered on or after June 1, 2004, the Department of
29 Public Aid shall make payments to hospitals as set forth in
30 this Section, except for hospitals described in subsection (b)
31 of Section 5A-3. These payments shall be paid on a quarterly
32 basis. For State fiscal year 2004, if the effective date of the
33 approval of the payment methodology required under this Section

1 and the waiver granted under 42 CFR 433.68 by the Centers for
2 Medicare and Medicaid Services of the U.S. Department of Health
3 and Human Services is prior to July 1, 2004, the Department
4 shall pay the total amounts required for fiscal year 2004 under
5 this Section within 75 ~~25~~ days of the latest notification. No
6 payment shall be made for State fiscal year 2004 if the
7 effective date of the approval is on or after July 1, 2004. In
8 State fiscal year 2005, the total amounts required under this
9 Section shall be paid in 4 equal installments on or before July
10 15, October 15, January 14, and April 15 of the year, except
11 that if the date of notification of the approval of the payment
12 methodologies required under this Section and the waiver
13 granted under 42 CFR 433.68 is on or after July 1, 2004, the
14 sum of amounts required under this Section prior to the date of
15 notification shall be paid within 75 ~~25~~ days of the date of the
16 last notification. Payments under this Section are not due and
17 payable, however, until (i) the methodologies described in this
18 Section are approved by the federal government in an
19 appropriate State Plan amendment, (ii) the assessment imposed
20 under this Article is determined to be a permissible tax under
21 Title XIX of the Social Security Act, and (iii) the assessment
22 is in effect.

23 (b) High volume payment. In addition to rates paid for
24 inpatient hospital services, the Department of Public Aid shall
25 pay, to each Illinois hospital that provided more than 20,000
26 Medicaid inpatient days of care during State fiscal year 2001
27 (except for hospitals that qualify for adjustment payments
28 under Section 5-5.02 for the 12-month period beginning on
29 October 1, 2002), \$190 for each Medicaid inpatient day of care
30 provided during that fiscal year. A hospital that provided less
31 than 30,000 Medicaid inpatient days of care during that period,
32 however, is not entitled to receive more than \$3,500,000 per
33 year in such payments.

34 (c) Medicaid inpatient utilization rate adjustment. In

1 addition to rates paid for inpatient hospital services, the
2 Department of Public Aid shall pay each Illinois hospital
3 (except for hospitals described in Section 5A-3), for each
4 Medicaid inpatient day of care provided during State fiscal
5 year 2001, an amount equal to the product of \$57.25 multiplied
6 by the quotient of 1 divided by the greater of 1.6% or the
7 hospital's Medicaid inpatient utilization rate (as used to
8 determine eligibility for adjustment payments under Section
9 5-5.02 for the 12-month period beginning on October 1, 2002).
10 The total payments under this subsection to a hospital may not
11 exceed \$10,500,000 annually.

12 (d) Psychiatric base rate adjustment.

13 (1) In addition to rates paid for inpatient psychiatric
14 services, the Department of Public Aid shall pay each
15 Illinois general acute care hospital with a distinct
16 part-psychiatric unit, for each Medicaid inpatient
17 psychiatric day of care provided in State fiscal year 2001,
18 an amount equal to \$400 less the hospital's per-diem rate
19 for Medicaid inpatient psychiatric services as in effect on
20 October 1, 2003. In no event, however, shall that amount be
21 less than zero.

22 (2) For distinct part-psychiatric units of Illinois
23 general acute care hospitals, except for all hospitals
24 excluded in Section 5A-3, whose inpatient per-diem rate as
25 in effect on October 1, 2003 is greater than \$400, the
26 Department shall pay, in addition to any other amounts
27 authorized under this Code, \$25 for each Medicaid inpatient
28 psychiatric day of care provided in State fiscal year 2001.

29 (e) Supplemental tertiary care adjustment. In addition to
30 rates paid for inpatient services, the Department of Public Aid
31 shall pay to each Illinois hospital eligible for tertiary care
32 adjustment payments under 89 Ill. Adm. Code 148.296, as in
33 effect for State fiscal year 2003, a supplemental tertiary care
34 adjustment payment equal to the tertiary care adjustment

1 payment required under 89 Ill. Adm. Code 148.296, as in effect
2 for State fiscal year 2003.

3 (f) Medicaid outpatient utilization rate adjustment. In
4 addition to rates paid for outpatient hospital services, the
5 Department of Public Aid shall pay each Illinois hospital
6 (except for hospitals described in Section 5A-3), an amount
7 equal to the product of 2.45% multiplied by the hospital's
8 Medicaid outpatient charges multiplied by the quotient of 1
9 divided by the greater of 1.6% or the hospital's Medicaid
10 outpatient utilization rate. The total payments under this
11 subsection to a hospital may not exceed \$6,750,000 annually.

12 For purposes of this subsection:

13 "Medicaid outpatient charges" means the charges for
14 outpatient services provided to Medicaid patients for State
15 fiscal year 2001 as submitted by the hospital on the UB-92
16 billing form or under the ambulatory procedure listing and
17 adjudicated by the Department of Public Aid on or before
18 September 12, 2003.

19 "Medicaid outpatient utilization rate" means a fraction,
20 the numerator of which is the hospital's Medicaid outpatient
21 charges and the denominator of which is the total number of the
22 hospital's charges for outpatient services for the hospital's
23 fiscal year ending in 2001.

24 (g) State outpatient service adjustment. In addition to
25 rates paid for outpatient hospital services, the Department of
26 Public Aid shall pay each Illinois hospital an amount equal to
27 the product of 75.5% multiplied by the hospital's Medicaid
28 outpatient services submitted to the Department on the UB-92
29 billing form for State fiscal year 2001 multiplied by the
30 hospital's outpatient access fraction.

31 For purposes of this subsection, "outpatient access
32 fraction" means a fraction, the numerator of which is the
33 hospital's Medicaid payments for outpatient services for
34 ambulatory procedure listing services submitted to the

1 Department on the UB-92 billing form for State fiscal year
2 2001, and the denominator of which is the hospital's Medicaid
3 outpatient services submitted to the Department on the UB-92
4 billing form for State fiscal year 2001.

5 The total payments under this subsection to a hospital may
6 not exceed \$3,000,000 annually.

7 (h) Rural hospital outpatient adjustment. In addition to
8 rates paid for outpatient hospital services, the Department of
9 Public Aid shall pay each Illinois rural hospital an amount
10 equal to the product of \$14,500,000 multiplied by the rural
11 hospital outpatient adjustment fraction.

12 For purposes of this subsection, "rural hospital
13 outpatient adjustment fraction" means a fraction, the
14 numerator of which is the hospital's Medicaid visits for
15 outpatient services for ambulatory procedure listing services
16 submitted to the Department on the UB-92 billing form for State
17 fiscal year 2001, and the denominator of which is the total
18 Medicaid visits for outpatient services for ambulatory
19 procedure listing services for all Illinois rural hospitals
20 submitted to the Department on the UB-92 billing form for State
21 fiscal year 2001.

22 For purposes of this subsection, "rural hospital" has the
23 same meaning as in 89 Ill. Adm. Code 148.25, as in effect on
24 September 30, 2003.

25 (i) Merged/closed hospital adjustment. If any hospital
26 files a combined Medicaid cost report with another hospital
27 after January 1, 2001, and if that hospital subsequently
28 closes, then except for the payments described in subsection
29 (e), all payments described in the various subsections of this
30 Section shall, before the application of the annual limitation
31 amount specified in each such subsection, be multiplied by a
32 fraction, the numerator of which is the number of occupied bed
33 days attributable to the open hospital and the denominator of
34 which is the sum of the number of occupied bed days of each

1 open hospital and each closed hospital. For purposes of this
2 subsection, "occupied bed days" has the same meaning as the
3 term is defined in subsection (a) of Section 5A-2.

4 (j) For purposes of this Section, the terms "Medicaid
5 days", "Medicaid charges", and "Medicaid services" do not
6 include any days, charges, or services for which Medicare was
7 liable for payment.

8 (j-5) For State fiscal year 2004, all payments described in
9 this Section shall be multiplied by the proration factor.

10 (k) As provided in Section 5A-14, this Section is repealed
11 on July 1, 2005.

12 (Source: P.A. 93-659, eff. 2-3-04; 93-841, eff. 7-30-04.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."